

# UNISONTIMES

HAMBURG | GERMANY | WEDNESDAY APRIL 13, 2022 | FIRST EDITION 2022



Come Together-

Bringing back the human touch to create sustainable ways of doing business



# Welcome!

**ROLF H. DIEKHOFF**

## **Dear members and business partners,**

In 2020, I wrote in my prologue about the COVID pandemic as the biggest disruptive force in all areas of life and business. Now that we have more or less become accustomed to the presence of COVID, and life seemed to be moving back towards “normality”, a new crisis scenario has caught up with us, whose horror and threat level far exceeds the pandemic.

Putin’s war of aggression against Ukraine as a state but also directly against the Ukrainian population has deeply shocked and morally dismayed us all. Personally, I would not have thought such a monstrously fought war on European soil was possible in the 21st century. Yet it is taking place, day over day since February 24.

We received first-hand reports from our member BritMark from Kiev in the first days of the war, which left us shocked: Account managers and insurance industry specialists guarding checkpoints in the outskirts, the CEO reporting to us from the shelter of underground vaults on the activities of the company and its employees, claims handlers taking care of the distribution of food and hygiene supplies, and a partner also en-

gaged in the medical care of soldiers injured by weapons of war - all these activities at the highest risk to life and limb. BritMark, of course, has its say in this issue of UnisonTimes with a brief situation report from the first days of the war. Putin’s war in Ukraine has permanently changed the world order and fronts have been clearly defined that will most probably endanger global peace for a long time. This also affects the insurance coverage of our clients in the affected countries and here, too, we have to adapt to the new situation.

In this issue of UnisonTimes, we also address the changed conditions of the insurance industry in Russia and how the situation for the insurance coverage of our policyholders currently looks like.

As usual, you will find articles by our members with information on foreign insurance markets and products. We would like to take this opportunity to thank you for your great interest in UnisonTimes and encourage you to continue to provide us with interesting information and articles from your world of experience and your domestic insurance market.

2020 was the first year in our long history without a real IDC conference. We were able to make our first experience with virtual conference hosting. We had planned a real highlight in the series of our successful conferences at the New York venue.

The planning we did at the time, combined with travel and extensive negotiations for all the event locations - carefully selected, with great dedication - was not in vain:

In a few weeks, our IDC will finally take place in New York City. We look forward to welcoming you all in person for a long-awaited gathering with unforgettable events and unique event locations. Hurry if you haven’t registered for IDC yet: Regular registration will close soon! I hope you enjoy reading this issue of UnisonTimes.

Stay safe and healthy everyone! May our most optimistic future wishes come true.

Yours  
Rolf Diekhoff

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Independence Day  
Conference 2022

# The Stage is yours!

The IDC offers you the opportunity to reach the international community from over 140 countries, providing a unique platform for new product introductions or presentations on the latest developments and services of YOUR company.

Book your slot for your presentation, share your expertise and position your brokerage prominently within the entire international network.

Interested in presenting?

[Submit your application until April 25, 2022.](#)

We kindly advise you that this offer is limited and

## New Members

## Liming Insurance Brokerage Co. Ltd.

[www.lmbaoxian.com](http://www.lmbaoxian.com)

Based in (City, Country): Shanghai,China  
Foreign subsidiaries: none  
Website: [www.lmbaoxian.com](http://www.lmbaoxian.com)  
No. of employees: 2000  
Year of establishment: 2014

Contact Person: Sam Liu  
E-Mail: [liuxin@lmibroker.com](mailto:liuxin@lmibroker.com)

Languages spoken: Mandarin, English  
Key services: Property Insurance, Liability Insurance, Life Insurance, Guarantee & Credit Insurance  
Industry expertise: manufacturing, government project  
Industry leadership: nationwide distribution services, strong IT support on matching demands  
In-house services: Interaction APP to collect data and manage risks  
Distinction –  
What are you proud of?: Insurance Broker of Shanghai International Automobile Industry Exhibition

Personal greeting to the network: Happy to be a part of this lovely family

# UnisonSteadfast News

UNISONSTEADFAST, CHINA LIAISON OFFICE

# The Latest Measures and Notice on China's Insurance Market

YANING LI

On 5 November 2021, China Banking and Insurance Regulatory Commission (hereinafter “the CBIRC”) issued the “Measures of Implementation for Administrative Licensing and Archival Filing of Insurance Intermediaries” (hereinafter “the Measures”), which became effective on 1 February 2022. With a total of 88 articles in six chapters, the measures clarify the scope, working conditions, application documents and procedures for administrative licensing as well as document filing for insurance intermediaries. The administrative licensing of insurance intermediaries mentioned in the measures includes:

- the licensing for operating insurance agency business,
- the licensing for insurance brokerage business,
- filing for operating insurance adjustment business
- approval of qualifications of senior managers in professional insurance agencies and brokerage institutions.

On 17 December 2021, the CBIRC issued the “Notice on Clarifying the Measures for the Opening-up of the Insurance Intermediary Market” (hereinafter “the Notice”). The Notice consists of three articles:

**Article 1** is to substantially remove the access restrictions for foreign insurance brokerage companies. Shareholders are no longer required to have more than 30 years of business history and have total assets of not less than 200 million US dollars in the year before the application. Furthermore, it is not necessary to set up a representative office in China for 2 consecutive years prior to the application for opening a foreign-owned Chinese subsidiary anymore.

**Article 2** is to further lower the entry threshold for foreign insurance intermediaries, allowing foreign insurance group companies and insurance intermediaries, financed and established by domestic foreign insurance group companies, to engage in related insurance intermediary businesses.

**Article 3** says: Before engaging in relevant insurance intermediary business, a foreign-funded professional insurance intermediary institution shall file a record or obtain a corresponding business license in accordance with Chinese laws and regulations. The business scope and market access standards shall be governed by the relevant regulations of the China Banking and Insurance Regulatory Commis-



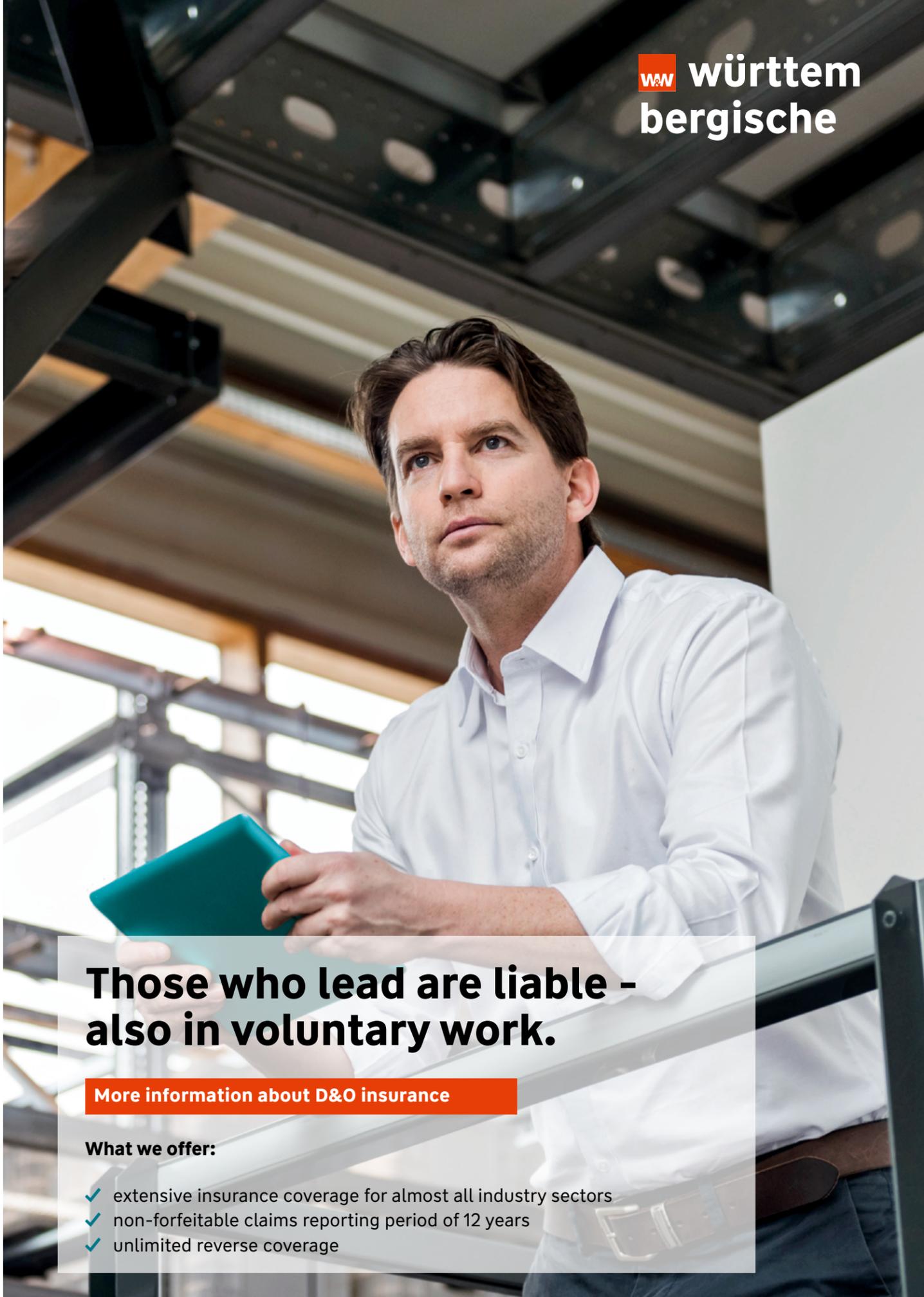
sion on professional insurance intermediary institutions.

A foreign-funded specialized insurance intermediary that applies for a license to operate an insurance agency business, license to insurance brokerage business and registration for operating insurance adjustment business shall meet the conditions stipulated in the "Measures of Implementation for Administrative Licensing and Archival Filing of Insurance Intermediaries".

For more information about the measures and the notice, please contact our China Desk:

**Contact:**

Yaning Li, Head of China Desk  
[yaning.li@unisonsteadfast.com](mailto:yaning.li@unisonsteadfast.com)

A man in a white shirt is standing on a modern staircase, looking thoughtful and holding a teal tablet. The background shows the structural elements of the staircase and a bright, airy environment.

## Those who lead are liable - also in voluntary work.

More information about D&O insurance

**What we offer:**

- ✓ extensive insurance coverage for almost all industry sectors
- ✓ non-forfeitable claims reporting period of 12 years
- ✓ unlimited reverse coverage

UNISONSTEADFAST GERMANY

# Insurance in Ukraine and Russia in Times of War and Sanctions

ROLF H. DIEKHOFF

Notwithstanding the humanitarian catastrophe that continues in Ukraine and our heartfelt emotional involvement and empathy for the people of Ukraine that motivated all of the active and passive aid and assistance we have been providing by way of several private and corporate initiatives, we do need to focus on the insurance interests of our clients as well.

As of end of March and after more than a month of the war in Ukraine, the situation is still very dynamic and insurance carriers have not set out a clear path with respect to the treatment of their existing business, particularly with respect to the Russian market.

We have been busy trying to fathom the changes and consequences of the situation in Ukraine and Russia since February 24th.

## Ukraine

Whilst the situation in Ukraine is quite clear and political risks exclusions come to bear here, international business activity has ceased in this country, with some exceptions, as offices and plants of most corporate multinationals closed, and staff was relocated to more safer regions.

Global carriers refuse writing new risks in Ukraine, but our broker partners are still active, either from Poland or from Western Ukraine and can be consulted with regard to existing policies. Indeed, we received copies of policies issued after February 24th from Ukraine.

As it is, we have an ongoing war in the territory of Ukraine and therefore exclusions apply to most lines of insurance. Where renewals and/or new placements are declined by carriers, FINC cover is currently under discussion with regard to the financial interest of foreign companies in Ukraine. We are currently making sure that all accounts continue being serviced by our local broker colleagues. Our account managers will address any questions you may have in this regard.

## Russia

The situation in Russia is completely different. On the one hand you have the complexity of personal and sectoral sanctions that have been imposed by most Western countries and which are being extended as the war continues.

In this regard, making sure not to conflict with any of the sanctions is important. We have ensured



that the partners we operate with in Russia are not in full or partial ownership by a sanctioned party and it is therefore perfectly legal at this time to cooperate with them.

Further, global insurers have been very reluctant to issue any official statement so far, but we do know by now that AXA, Allianz, Zurich, Chubb, AIG and Generali put renewals on hold and some started to cancel their global cover. All carriers refuse to write any new business in Russia. Fronting carriers such as Ingosstrakh and RESO Garantia confirm cover for already issued and paid local fronting policies but subsidiaries of global carriers are yet to position themselves.

On March 14th 2022 the DUMA passed a new law with a press release that reads as follows: "On Amendments to the Federal Law "On the Central Bank of the Russian Federation (Bank of Russia)" and Certain Legislative Acts of the Russian Federation in Part of the Features of Changing the Terms of a Credit Agreement, Loan Agreement" and Article 21 of the Federal Law "On Amendments to Certain Legislative Acts of the Russian Federation":

"...Russian insurers are prohibited from entering into transactions with insurers, reinsurers and insurance brokers that are persons of unfriendly states \*, as well as with insurers, reinsurers and insurance brokers controlled by persons of unfriendly states. The prohibition established by this paragraph applies to the transfer of funds by Russian insurers to the persons specified in this paragraph under contracts concluded before the

day this Federal Law came into force."

\* The "unfriendly states" list is specified in the Decree of the Government of the Russian Federation dd.05.03.2022 No.430-p and includes: Australia, Albania, Andorra, United Kingdom (including the island of Jersey and controlled overseas territories - Anguilla, British Virgin Islands, Gibraltar), all EU states, Iceland, Canada, Liechtenstein, Micronesia, Monaco, New Zealand, Norway, Republic of Korea, San Marino, North Macedonia, Singapore, USA, Taiwan, Ukraine, Montenegro, Switzerland and Japan.

The new law ultimately means that no Russian Insurer is permitted to cede reinsurance premiums for global master programs to carriers based in so called "unfriendly" countries. Policies that have not yet been issued or where premiums have not yet been paid are immediately affected and cannot be put in force. Such fronting policies need to be replaced by purely local insurance solutions in order to be compliant with the new law.

Facultative and treaty reinsurance is affected as well, and the Russian state reinsurer has already raised their capacity from 600 mill. USD to 2,6 bill. USD.

Compulsory cession of 50% to state reinsurer (previously 10%) is required.

Our broker partners in Russia have the standpoint that local fronting policies of CMP's that have already been issued with premiums paid are not affected and continue to be in force, at least until the renewal. Some carriers, such as Ingos-

trakh, have confirmed this for individual policies. Accordingly, this law does not limit the ability of local insurers to receive reimbursements in case of a loss. Additionally, from a legal standpoint, the local policy is signed between the Russian insurer and the Russian insured. Thus, the local insurer remains 100% liable in case of a loss, until the local policy expires, or parties agree premature cancellation.

That being said, there still remains a large element of contract uncertainty, and the only viable alternative would be to procure purely local coverage from a Russian insurer, of which only three at this time fall under international sanctions.

*This article was compiled with information from various sources (press articles, information from insurers as well as from our partners). A special thanks goes to MAI CEE and Malakut for sharing the latest information with us.*

**Contact:**

Rolf H. Diekhoff

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UNISONSTADFAST GERMANY AND STEADFAST GROUP

# How to become “Friends with Benefits”

## An update from the UnisonSteadfast Employee Benefits Practice Group

FLORIAN GUDE AND LIEVEN MENTENS

Dear partners and friends,  
As you know, there are several Practice Groups within our UnisonSteadfast network. These Practice Groups have been set up to enable our members to place important lines even easier, more convenient and in a timelier manner than usual. One of these groups is the Employee Benefits Group (EB). Over 20 participants from within our members base are engaging in it to enhance the potential of all lines related to Employee Benefits such as life/TPD, salary continuance, pension, health and other mostly Group based Schemes. Money is no longer the only important thing to employees, and expectations of wellbeing support are only growing. Employee benefits have also become a deciding factor in both attracting and retaining talent.

Providing employees with a safety net is becoming the new benchmark for employers.

As per our experiences setting up an Employee Benefits Plan can sometimes be challenging. Particularly, since most of our members have a

P&C background rather than life insurance. Plus, in most jurisdictions for example the US, Europe, and Australia, Employee Benefits are typically not handled by the client's Risk Management, but by their HR Department instead.

Right now, in many markets and countries around the world, wellbeing and the 'Great Resignation' is on everyone's mind and taking care of employees has never been more important. As people face constant change and uncertainty, they're seeking greater support and security. That's why we want to further support our members with this increasingly important issue.

### **What has been done by the EB Practice Group so far and what is ongoing?**

During our previous online meetings, we mainly discussed about the lines that should be mentioned when talking about EB to a client. As a next step we are going to discuss and eventually set-up criteria such as necessary revenue and



staff numbers to implement group schemes. The overall aim is to create a UnisonSteadfast “good local EB standard”. We will establish single points of contact from our group for the different global economic regions. This will enable you to place EB business in accordance with the UnisonSteadfast “good local standard” without missing out on any potential regional extras and specialties on what is considered long term and very sticky business with our clients. We can’t wait to share the first success stories of our members pitching and securing business.

In the meantime, please let us know if you have questions or comments or simply would like to get more information about Employee Benefits in general or for certain regions in particular. We will most certainly be able to help you out. You might also be interested to talk about this in person during our 2022 Independence Day Conference. Do not forget to book your place.

Best regards,  
Your UnisonSteadfast Employee Benefits Practice Group.

**Contact:**

Florian Gude  
[florian.gude@unisonsteadfast.com](mailto:florian.gude@unisonsteadfast.com)

UNISONSTEADFAST CORP.

# Self-Insured Retentions

PETER BLEACH

One term that overseas brokers should become familiar with when advising corporate customers about liability insurance in the USA is Self-Insured Retention (SIR) defined by the International Risk Management Institute (IRMI) as “...a dollar amount specified in a liability insurance policy that must be paid by the insured before the insurance policy will respond to a loss. Thus, under a policy written with a SIR provision, the insured (rather than the insurer) would pay defence and/or indemnity costs associated with a claim until the SIR limit was reached. After that point, the insurer would make any additional payments for defence and indemnity that were covered by the policy.” SIR limits can vary ranging from small to very large. For example, the writer arranged insurance for a short-line railroad with a \$250,000 SIR. Some liability risks could go well above this figure. For example, \$1,000,000, 2,000,000 SIRs (or greater) might apply where the potential exposure to lawsuits and damages is much higher. E.G. The pharmaceutical and chemical manufacturing industries.

Insured’s that have chosen a SIR retention strategy or who are subject to a quoted SIR have three options when it comes to claims management:

a) The insured initially handles the claim themselves, recognizing that once it exceeds the SIR limit, the insurance company is responsible for the ultimate net loss, being the sum that the insured is legally obligated to pay as damages plus defence costs. All are subject to the specified policy limits.

b) The insurer’s claims department retained by the insured assists with the claims. If the policy form is “Claims-Made”, the Insured should be reporting all potential claims or suit (s) brought against the insured during the prevailing policy period, regardless.

c) More often, a third-party adjusting firm manages the claim. For example, in the railroad industry, there are specialist firms knowledgeable in railroad operations and all facets of railroad liability claims including environmental exposures.

Deductibles and SIRs represent the insured’s obligation to contribute to claims, covered by insurance. Both are similar because the insured is required to assume financial responsibility for a portion of a loss that is not covered. What are some of the major differences between a SIR and

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Deductibles and SIRs represent the insured's obligation to contribute to claims, covered by insurance. Both are similar because the insured is required to assume financial responsibility for a portion of a loss that is not covered. What are some of the major differences between a SIR and deductible based liability insurance?

a) A deductible is typically payable by an insured when a claim has been settled by the insurer. Usually, insurers will front the deductible and then seek reimbursement from the insured. This is referred to as "First Dollar Coverage." Even if the insured cannot reimburse the deductible, the claimant is made whole by the insurer.

b) However, in the case of large deductible plans, the insurer will require collateral in the form of a Letter of Credit. Potential markets would also require financial statements at the time of soliciting quotations, although this has also become a market requirement for self-insured retention-based programs.



c) SIR's generally obligate the insured to provide the first dollars expended in a claim until the limit is reached. For example,

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Peter Bleach  
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d) Some liability coverage is underwritten using a "Claims -Made" policy form. For example, Technology Errors and Omissions Liability Insurance. Defence costs are included within the limit of liability. In this instance, the SIR may be satisfied by attorney and other professional fees. Once the SIR is satisfied, the insurer would assume the defence and associated costs.

e) When a business makes the decision to retain a portion of the risk, no duty to defend exists until the retention limits are exhausted. By contrast, policies with deductibles oblige the insurer to assume responsibility and control of claims handling at the outset of a claim.

f) When an insured purchases a policy with a deductible, typically the amount is subtracted from the policy limits. A \$1,000,000 policy limit with a \$100,000 deductible would leave \$900,000 in true insurance protection.

By contrast, if a policy is subject to a SIR, the full policy limits would be available to respond to a loss, after the insured's obligation to fund the SIR is met.

Unless the policy provides otherwise, with a deductible, the insurer could defend and settle claims against an insured, without their permission.

# Independence Day Conference 2022- Program Highlights

## Next Level

June 14, 2022 | 9:00 a.m. - 1:00 p.m. EST

What if we could take UnisonSteadfast to the NEXT LEVEL, have more products, services, technology platforms, and insurer support to enhance your businesses and ease of doing business?

We invite you to explore the next level of products and services offered by UnisonSteadfast:

- new tools for Risk Management services
- an own captive for UnisonSteadfast members
- direct access to London placements

# Intelligent Insurance: Digital Future now

June 14, 2022 | 2:00 - 5:30 p.m. EST

The massively increasing importance of risk management and risk transfer models for designing intelligent coverage concepts in a VUCA environment has multiplied the necessity for special placement expertise.

Experience top-industry experts and the UnisonSteadfast solutions for your challenges in international business. Get to know RMaaS - Risk Management as a service - and take part in a transformation coaching powered by UnisonSteadfast.



# Let's talk Sustainability!

June 15, 2022 | 9:00 a.m. - 1:00 p.m. EST

With a growing consensus that sustainability has become an indispensable element of the way we reshape our future society, governments and businesses make ambitious climate and emission pledges. The race for sustainable solutions that also offer a viable environmental, social and economic future has begun. The shift to sustainability has a decisive impact on corporate strategies, bearing new risks but at the same time unlocking new opportunities also for our industry.

We will encourage an international debate on this transformation topic, building a platform for sharing insights and knowledge. You will learn from top-class speakers of reputable industrial companies what needs to be considered when setting up your ESG strategy.

## Market Place

June 15, 2022 | 2:00 - 5:30 p.m. EST

The main goal of our annual conferences is to bring together our brokers and partners from around the globe with the intention of professional exchange on the international level, the acquisition of insights and their translation into new business opportunities.

The IDC gives you a great chance to demonstrate your expertise in a certain field and to build a market reputation. Shape the debate, share your experience and position your brokerage as one of the go-to companies in your expertise area.

- Presentations by UnisonSteadfast brokers
- Broker roundtables
- Practice Groups

## Independence Day Conference 2022 Facts & Figures

Date:	June 13-15, 2022
Venue:	1 Hotel Brooklyn Bridge, New York City, USA
Organizer:	UnisonSteadfast
Format:	Onsite & online (livestreaming from NYC)
Registration:	<a href="http://www.IDC.UnisonSteadfast.com">www.IDC.UnisonSteadfast.com</a>
Target Groups:	brokers insurance carriers reinsurers, law companies, consulting firms
Motto 2022:	Advancing together!
Key Topics 2022:	Sustainable solutions, Smart Sustainable Investments, ecosystems, next generation, digital transformation, Risk management
Conference Program:	Top-class keynote speakers 30+ presentations, discussions, panels and workshops Supporting exhibition in the conference facilities 3 networking receptions Individual meetings and introductions upon request

# Independence Day Conference 2022

Accommodation: 1 Hotel Brooklyn Bridge  
[www.1hotels.com](http://www.1hotels.com)  
60 Furman Street, Brooklyn, NY 11201  
+1 (833) 625-6111

## Networking receptions:

- **Welcome Reception,**  
June 13, 07.00 PM—10.00 PM  
Location: Harriet's Rooftop & Lounge, 1 Hotel Brooklyn Bridge  
60 Furman Street, Brooklyn, NY 11201  
Dress Code: Smart Casual
- **Gala Dinner at the Rockefeller Center,**  
June 14, 08.00 PM—00.00 PM  
Location: Rainbow Room at the Rockefeller Center  
30 Rockefeller Plaza, New York, NY 10112  
Dress Code: Evening Attire
- **Farewell Party,**  
June 15, 07.00 PM—10.00 PM  
Location: Atlantica  
Dress Code: Smart Casual

## Registration Deadline

Standard Registration for the in-person event closes on April 15, 2022, at 7:00 p.m. CEST. Late registrations is available until June 10, 2022 at 7:00 p.m. CEST. Registration for the virtual attendance closes on June 10, 2022 at 7:00 p.m. CEST.



DESCARTES



ERGO



Join us in New York City!



# Member Information

AREA BROKER, ITALY

## Area Broker & QZ Spa

MARCO OREFICI

This article takes us to know Area Broker & QZ Spa, an Italian company founded in 2007, highly specialized in insurance consulting and brokerage, which through a wise management and strategic planning, has entered among the **top 15** operators of the Italian market, and that today manages insurance premiums for about 90 million euros with the goal to doubling them over next 3 years

With **150 employees, Area Broker & QZ** has its headquarters in the heart of Emilia Romagna region, with a strong presence in Northern Italy through the offices of :

- Reggio Emilia (H.Q)
- Bologna
- Piacenza
- Parma
- Rimini
- Prato
- Livorno

The strategy and commercial policy of Area Broker & QZ in recent years is oriented to aggregate companies and professionals in the world of brokerage with the aim of acquiring more and more market shares at national level

Targeted acquisitions led according to the ideas and principles of its **founder and CEO Stefano Sidoli** that today make Area Broker & QZ a company organized among the main players in Italy.

Thanks to the skills of the management and with the inclusion of new professional figures with high experience gained also in international contexts, the company continues to grow both internally and externally.

Area Broker & QZ aspires to be considered a **trusted partner for companies** of any size and product sector able to bring value and innovation to their customers. The secret behind the success of Area Broker, **always focusing on the needs of its clients**, is to have worked with a studied planning of medium-long term time horizon, investing heavily in employees training, IT systems, marketing and communication, as well as in research and development of new and innovative solutions to guarantee, always, a high level of service provided.

Its International Division, led by Marco Orefici and composed by high specialized professionals with long experience also in different contexts, is able to manage all kind of international programs

**MEMBER INFORMATION**

both Incoming and Outgoing for entities of every sector and size.

Among the goals of Area Broker & QZ there is also space to financially support and encourage re- search in the agri-food sector in its aspects related in particular to climate change through The Luigi Sidoli Foundation born in 2020. At the same time, the **Weather Risk Division** has been created, spe- cialized in the study of innovative solutions such as parametric policies.

This Division, during Pandemic studied (by inter- preting physical and therefore objective data, read- ing biological phenomena, such as the growth or mortality of molluscs, with the support of marine interpolation data between satellite and on site) and created the first parametric coverage in the World dedicated to the sector of Mussels and Clams . Dur- ing these years Area Broker approached also new areas as damage caused by Brown Marmorated Stink Bug (Halyomorpha Halys) but that the Com- pany believes to be perfect laboratories to study solutions for completely different types of risk re- lating to manufacturing sectors and not only in the agricultural market

**Core Classes of Business:**

- Property All Risks & General Liability
- Construction & Engineering Risks
- Marine Cargo
- Professional Indemnity
- Employee Benefits
- Trade Credit & Bond

- Renewable energies

**Area Broker & QZ's method**

- Identification of the resources available to the company
- Risk identification
- Risk assessment
- Risk control for the purpose of preventing/ reducing the risk
- the direct assumption – in whole or in part – of any financially sustainable risks
- transfer of the risk to third parties or to the insurer
- monitoring of the evolution of the risks and of the risk management programme

**Targeting Clients of any size in the following sectors:**

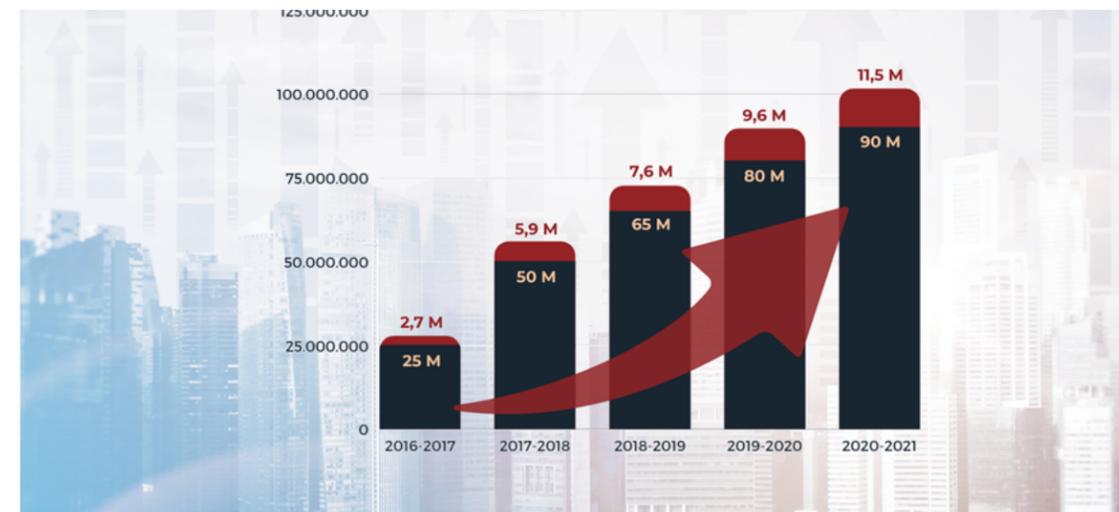
- Engineering and Construction
- Food & Beverage
- Trading Companies
- Logistics
- mechatronic and mechanics
- Automotive

**Specialty Division**

- International clients
- Meteo Risk
- Employee Benefits & Welfare
- Trade Credit
- Risk Management
- Engineering and construction
- Cyber risk



AREA Team. 2021



Premium Development

**Contact:**

Marco Orefici  
 International Division Director  
 Direct +39 0522 1487517  
[m.orefici@areabroker.it](mailto:m.orefici@areabroker.it)  
[www.areabroker.it](http://www.areabroker.it)

EVERARD INSURANCE BROKERS (JAMES HALLAM), UNITED KINGDOM

# Everard Insurance Brokers

NIGEL ROBERTS

Everard and Sons Ltd. was one of the biggest names in British and European coastal shipping, with a fleet of over 450 owned, managed and chartered craft, including sailing, steam and motor ships plus tugs and harbour craft.

Based at Greenhithe on the Thames, where it had its own repair and rebuilding facilities, Everard coasters traded to Europe and sometimes beyond. In addition to the fleet of steam motor-driven dry cargo craft and tankers, Everard also had a significant tug fleet.

Although the placing of fleet insurance and dealing with the London P&I Club calls had carried on for many years, that element of the business was put on an official footing when Everard Insurance Services Ltd. was incorporated in 1969. This enabled the company to diversify into other forms of insurance.

In 2018 the company was purchased by the leading independent family-owned Lloyd's Broker James Hallam Limited (JHL). Purchased because of Everard's excellent reputation in the UK and European Markets and specifically to be JHL's specialist Marine Division. In 2021 the office moved from the previous provincial base in Kent into the heart of the International Marine Insurance Market in the City of London.

Under a new leadership team since 2021, together with supporting professionals, Everard has gone from strength to strength. This has been achieved through the acquisition of highly experienced International Marine Insurance practitioners from the London markets who uphold the company's traditional values and client base. Furthermore, these new team members have brought an exciting new dynamism along with some exceptional talent and experience to the



London, United Kingdom

company's approach to managing risk and insurance for both existing and now and increasingly new domestic and international clients.

Today the team is split into two main departments:

#### **Shipping:**

A team able to meet any of our client's insurance requirements within the entire Transportation Chain. By offering a bespoke/tailormade solution. From Marine Cargoes, Hull & Machinery, Protection & Indemnity, Ports, Terminals and Harbour installations, Builders Risk, Ship Repairers Liabilities, Sub Sea/Marine Equipment and Aquaculture, Freight Forwarding & Logistic Liabilities, Charterers Liabilities and when needed Credit or Performance Guarantees. The range of products is only prohibited by the editorial capacity of this article!

#### **Marine Trades:**

We are Coverholders as well as brokers and as a consequence, we are able to provide a wide range of insurance covers including Marine Traders Combined, Combined Liabilities, Marine Installations, Builders Risks, Professional Indemnity, Contractors All Risks and associated insurances such as Motor Fleet and Property to name but a few.

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#### **KROSE, GERMANY**

# KROSE founds own re-insurance broker KROSE ReBrokers

#### **LEOPOLD MUHLE**

KROSE GmbH & Co. KG has pooled its reinsurance activities in a separate legal entity and with KROSE ReBrokers GmbH founded its own reinsurance broker. Managing Directors of the company are PhD Oliver Cullmann and Leopold Muhle.

The Bremen-based traditional brokerage company with this step strengthens the specialisation and the expansion of its business activities on the reinsurance market, which date back to the 1980s. KROSE ReBrokers is a strategic partner of its clients and offers holistic reinsurance consulting for large and complex industrial risks, incl. actuarial services in facultative reinsurance, contract reinsurance and ART (alternative risk transfer).

KROSE ReBrokers GmbH places intelligent reinsurance solutions in all major insurance lines such as Property, Transport, Financial Lines, Cyber and Liability. Another focus is set on the management of Captives and their protection by bespoke structured reinsurance contracts.

#### **About KROSE GmbH & Co. KG**

KROSE is the partner of German large-scale enterprises when it comes to industrial insurance needs. The company was founded in 1920 and since then has been offering its clients unique tailor-made insurance solutions. Our highly qualified employees convince with their in-depth and field-tested expertise, customised and viable solutions as well as efficient rendering of our services.

As an owner-operated company, we think sustainably and maintain long-term and solid business relationships with both clients and insurers – many of which have already been established decades ago. The collaboration with our business partners is characterised by fairness, trust, stability and reliability.

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## MALAKUT, UZBEKISTAN

# New Malakut office in Uzbekistan

## RUSTAM FAYZULLAEV

Malakut opened a new office in Uzbekistan, a strategic region in Central Asia. This is Malakut's 9th office worldwide and its 4th on the territory of the former USSR.

Rustam Fayzullaev has been appointed as a director of newly established company, which is 100% owned by Malakut. Rustam Fayzullaev holds a degree in Finance from the Plekhanov Russian University of Economics. Prior to joining Malakut he worked in logistics and financial sector, including few years with one of largest Uzbekistan insurers.

According to the Ministry of Finance of the Republic of Uzbekistan, the insurance sector grew by more than 67% with GWP reaching UZS 1,697.91 billion (EUR 134.44 million) for the first half-year of 2021. It is forecasted by EBRD that GDP of Uzbekistan will grow by 6.8% in 2021 and by 6% in 2022 which makes Uzbekistan the fastest growing economy in Central Asia.

We do believe that dynamically developing Uzbekistan will open up numerous business opportunities

and that it is a right time to establish presence on the market. Opening an office in Uzbekistan is a significant step aimed to further strengthen Malakut's position as a reliable specialist broker in the region.

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Tashkent City International Congress Centre in Tashkent city, Uzbekistan

RIEVERS VERSICHERUNGSMAKLER GMBH, AUSTRIA

# New brokerage venture in technical insurance

CARINA ROHM

4mal4 Maschinenversicherungsservice GmbH ([www.4mal4.com](http://www.4mal4.com)), was founded by three Austrian entrepreneurs from the insurance industry.

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Bernhard Rieder  
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One of the three owners is Bernhard Rieder, Managing Partner of RieVers Versicherungsmakler GmbH (based in Vienna, Austria, [www.rievers.at](http://www.rievers.at)), a long-time member of UnisonSteadfast.

4mal4 is a specialist broker in the machinery industry and focuses only on technical insurance. The offices located throughout Austria - Vienna, Graz and Innsbruck - allow an optimal Austria-wide as well as international service.

4mal4 Maschinenversicherungsservice GmbH ([www.4mal4.com](http://www.4mal4.com)) serves leasing companies, banks, importers, machine dealers and machine producers as well as associations and interest groups with bespoke insurance solutions.

The brokerage aims for strengthening its position in the technical insurance segment of the German-speaking markets.





Toronto Skyline, Canada

## ROANOKE, USA &amp; CANADA

# Roanoke Insurance Group Inc. is open for business in Canada

KIM COLBY

Roanoke is proud to announce its expansion into the Canadian market. Last year, RIG successfully crossed borders to join its North American neighbor in the trade industry. Roanoke Insurance Group Canada, Inc.'s (RIG CA) Toronto office is officially up and running and is led by Glenn Patton who serves as the Managing Director. Glenn has been working in Canada's Insurance market for 3+ years and aims to secure relationships with Roanoke's Canadian partners and clients.

Expanding into Canada enables Roanoke to provide a seamless service experience to clients with cross-border operations. RIG CA is positioned to support the Canadian trade industry with unique and expertly crafted insurance and surety bond solutions designed to meet the needs of freight brokers, freight forwarders, customs brokers and others in the supply chain.

RIG CA will have an immediate impact, supplying Canadian customs brokers with tools and resources to streamline the bond process and maintain full compliance with recently updated importer bond requirements. The new requirements have been implemented by the Canadian Border Services Agency (CBSA) as part of their CBSA Assessment

and Revenue Management project (CARM). RIG CA, a Munich Re company, operates as a retail and wholesale broker providing insurance and surety bonds to Canadian companies involved in logistics, transportation and shipping. RIG CA is an affiliate of Roanoke Insurance Group Inc. (RIG), a prominent specialty broker to the logistics and trade industry in the United States since 1935.

**For more information about RIG CA, contact:**

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## Market and Product information

DDW GROUP, NETHERLANDS

# To Reduce Privacy Risks: Educate Our Youth

EDWARD DOELMAN

Fabrice de Waal, who, as CEO of the DDW Group from Amsterdam, sees with his own eyes the risks 'we' run when there is little regard for safeguarding one's personally identifiable information. His idea? Have insurers, who are increasingly covering the cyber risks of companies, give 'privacy lessons' geared towards educating the next generation.

It happened a few weeks ago when I picked up an order from a local store. The cashier, who was about 18 years old, had to confirm some customer information before processing an order. Without hesitation, the teenager rattled off all kinds of personal information about the customer waiting in line ahead of me: their first and last name, date of birth, zip code, house number. It was all broadcast throughout the store. Does it have to be this way?

There could have been people with the wrong intentions standing in line. The customer's information so carelessly handled by the cashier could've been easily taken and led to dire consequences. There are so many examples of the dangers associated with personal data falling into the wrong hands. If

you are careless with one's social security number, there is a very high chance that criminals will perpetrate identity fraud. If you do not secure your laptop properly, you run a greater risk of being hacked with your information stolen. Just ask some well-known rappers with a Rolex watch on their wrist; Anyone who flashes expensive items on social media can easily become the target of a robbery.

Our personal data is already in countless files maintained by governments and companies. Every day we hear about data leaks from government agencies, instances of identity fraud, and the growth of phishing emails, privacy violations, and fake apps from scammers. Danger lurks on all sides. At the same time, there is a lot of laxity in how we keep our data safe. Rather than facing the facts, we often just shrug it off thinking that something like this won't happen to me.

Most companies are now aware of the immense damage that hackers and other cybercriminals can cause. It is one of the reasons why more and more cyber risk insurance policies are being purchased.



Fabrice de Waal, DDW Group

Companies of all sizes and scopes, from multinationals to small and mid-sized enterprises (SMEs), are vulnerable and bear responsibility for protecting the personal data of their customers and their employees. At the same time, there is still a lot of ignorance in this area as many employers have no idea what to do in the event of a data breach.

Taking this all into consideration, isn't it strange that we attach relatively little value to our own privacy - and that of our children? I think so and I believe we need to advocate for much more awareness around the importance of keeping our personal data safe. Remember that teenager who shared another customer's information throughout the store? What if we could help reduce situations such as this in the future?

We all need to make more conscious choices about what we share on social media, which apps we install on our phones, and the personal data we agree to leave behind in real life; we can't start early enough with that training. Therefore, I see a great opportunity for insurers, as part of their corporate social responsibility, to build out educational programs geared towards our youth. Train our young people about the digital risks that they do not see but are very real. Provide them the skills to make conscious decisions to better protect their privacy and the privacy of others.

In the long run, this training would result in developing future skilled and critical employees who are aware of privacy risks in both their personal and business lives. And perhaps, with a privacy-conscious generation, we can reduce the considerable

losses associated with future cyber and privacy claims. But more important is the social snowball effect that lies ahead: by giving young people a 'privacy education' now, they will set a greater example of how to protect one's privacy for future generations.

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**FRANK GLENNON LIMITED, IRELAND**

# Attention, Occupational Pension Scheme Trustees!

**DAVIN SPOLLEN**

If you are an employer with your own pension scheme, there are significant decisions you will have to make this year as new legislation introduces the most significant changes to occupational pension schemes, their management and regulatory framework in at least a generation.

Last year, The European Union (Occupational Pension Schemes) Regulations were signed into law in Ireland in a bid to reduce the number of individual pension schemes and consolidate them into larger schemes to streamline regulation. Following consultation, the Irish Pensions Authority subsequently shared a Code of Practice for Trustees for Occupational Pension Schemes. From the beginning of 2023, the focus of the Authority will be ensuring full compliance with all obligations under the amended Act.

As an employer these are the key things you need to be aware of:

Key dates for new occupation pension requirements:

- 31st January 2022 – A Compliance Statement must be produced by all trustees – to be held on record this year and subsequently issued to the Pensions Authority annually.

- 1st July 2022 – New requirements must be fully implemented by Master Trusts and New Pension Schemes put in place, including new pension benefits statements, establishment of the risk management function, internal audit function and the new policy documents.

- 1st January 2023 – New pension requirements must be fully implemented by all single employer trust pension schemes. This includes new pension benefits statements, the establishment of a risk management function, internal audit function and new policy documents in compliance with the new regulations.

**What are the implications for employers?**

Unfortunately, the cost of running a pension scheme is likely to increase significantly, whether that is through additional professional trusteeship cost, or

the cost of your own time as you ensure compliance over the coming year.

Employers operating as a Trustee on their own pension schemes will have a lot of work to do to meet all these new requirements.

Trustees are required to document everything, producing more than 10 policies relating to the operation of their pension schemes, including for example, internal audit, member engagement and communication, conflicts of interest and risk management policies etc.

This will also require a greater degree of formality, including more in depth recording of minutes and greater regularity to Trustee Meetings as well as documenting data sharing activity and quarterly performance reviews. You will be required to create a Statement of Investment Process, to demonstrate how the investment objectives and strategies are to be approached and implemented amongst other items.

Master Trusts – what are these and how can they play a role for employer pension management? Master Trust Sponsors in Ireland are large, experienced insurers or consultancies with a wealth of experience in pensions and access to significant resources and capital.

#### The Benefits of joining a Master Trust

In terms of Governance a Master Trust can ensure communications and documentation can be streamlined and delivered effectively to all members electronically, considering an array of employers with varying contribution levels, charges, and

investment options.

Master Trusts can mitigate against future participating employer costs, such as the requirement for scheme audit and to pay for trusteeship (post IORP II). This may make the engagement with Master Trusts more likely and encourage participation so that employees can access pension saving, including employer contributions, with additional greater scope for their own maximum contributions made based on age-related Revenue bands, unlike PRSAs in their current form. Delivering better long-term outcomes for members, which is ultimately every trustee's number one objective.

Group Life benefits can in some cases be insured and placed under the Master Trusts, which in theory should professionalise the approach to the handling of death claims, making inclusion of these valuable death benefits more streamlined for the employer, and held in one place for trustees overseeing the payment of pension and death benefits in line with Revenue rules.

#### The shortcomings of joining a Master Trust

How much say will trustees have if they find charges to be excessive, when set by the Master Trust provider they are working for. Conflict of interest was a critical issue for the Pension Authorities' 2020 report. Will trustees feel confident that members have access to sufficient advice around planning, investment, and funding?

Is there a danger to having a flat, non-diverse panel of trustees, could a 'tried and tested' methodology to decision making run the risk of a small set of approaches being employed over a much larger mem-



ber pool, as members familial and geographical circumstances become ever more diverse? Where employers or members wish to have some engagement with the trustees, how could this possibly be facilitated with a very large Master Trust population? Are 5-minute Zoom or Teams calls going to solve this? Speed dating for Employers and Trustees, replacing comprehensive trustee meetings / interactive pension committee and trustee board engagements.

Currently there is a Formal Scheme Wind Up required to move from a Single Employer Trust to a Master Trust. This may change in the coming year, as the Authority seeks to significantly reduce the number of Pensions Scheme operating on a Small to Medium Scale.

If you are a Member Trustee, ensure that you understand all the implications of IORP II's transposition and the Fit and Proper Standards. If you have not undertaken a 2 recognised Trustee Qualification and you intend to stay on, then you should consider completing one.

The Author of this article is Davin Spollen, Associate Director at Glennon and Director and Council member of the Irish Institute of Pension Management, Executive Board Advisor to the Asinta Employee Benefits Network, Associate of the Irish Institute of Pension Management, Qualified Pension Trustee, specialist Investment Advisor, Qualified Financial Advisor, and an Accredited Product Advisor for Personal General Insurances.

Glennon Employee Benefits and Financial Planning

advise companies, their employees, and individuals with regard to their pension arrangements.

If you need advice in this area please reach out to Davin and his team, [employeebenefits@glennons.ie](mailto:employeebenefits@glennons.ie) or call +353 17075880.

GRUPE RODERER, FRANCE

# What is consequential loss in France?

CÉLINE COGNIAT-SCHMIDLIN

„Civil liability“ insurance policies in France provide coverage of various types of consequential loss\*:

- consequential loss (indirect financial loss),
- pure financial loss („DINC“).

\*consequential loss means pecuniary damage resulting from the privation of the enjoyment of a right or the interruption of a service rendered by a person or by a good or the loss of profits.

## 1) Consequential loss / damages

They are generally defined as the pecuniary consequence of personal injury or material damage guaranteed by the insurance policy.

In principle, this guarantee is acquired by subscribing to a liability insurance, providing a capital and a deductible usually identical to that of the damage (bodily or property) to which it relates.

## Example:

The manufacturer of a boiler burner delivered the product to one of his clients.

Sometime after delivery, the burner explodes and damages the boiler delivered by his client to the final customer.

The damaged boiler led to an impossibility of exploitation of a site and therefore resulted in losses for the end customer.

Here are therefore covered:

- damage to the boiler (material damage);
- operating losses (consequential losses resulting from a guaranteed material damage).

It should be noted that the burner itself is not insured (the liability insurance excludes damage to the delivered product and is intended to cover

damage caused by the delivered product).

**2) Pure financial loss (« DINC »)**

There are two kinds of damage:

- pure financial losses, without a bodily injury or a material damage
- consequential losses resulting from a non-guaranteed bodily injury or material damage (excluded in the liability insurance policy)

**Example 1:**

The electrical cabinet of a bottling line undergoes a short circuit due to a hidden defect causing the chain stop.

As mentioned earlier, the cost of the product delivered by the insured is always excluded, but the deteriorated product may cause financial damage to third parties (such as the shutdown of a production line).

These damages are therefore covered under this guarantee.

More precisely, it's a consequential loss resulting from an unsecured material damage (because it only affects the delivered product).

**Example 2:**

The engine of a boat is affected, without causing damage, by a hidden defect that hinders the trawl from being raised. The need to interrupt fishing for the time of repair provokes the claim of the boat's owner for the loss of a certain tonnage of unfished fish. This is a non-consequential immaterial damage, no physical or material damage

being found.

These guarantees are provided by insurers as an option in liability policies, with specific limits and deductibles. They may be particularly necessary for companies delivering specific products, such as manufacturers of machinery or building materials.

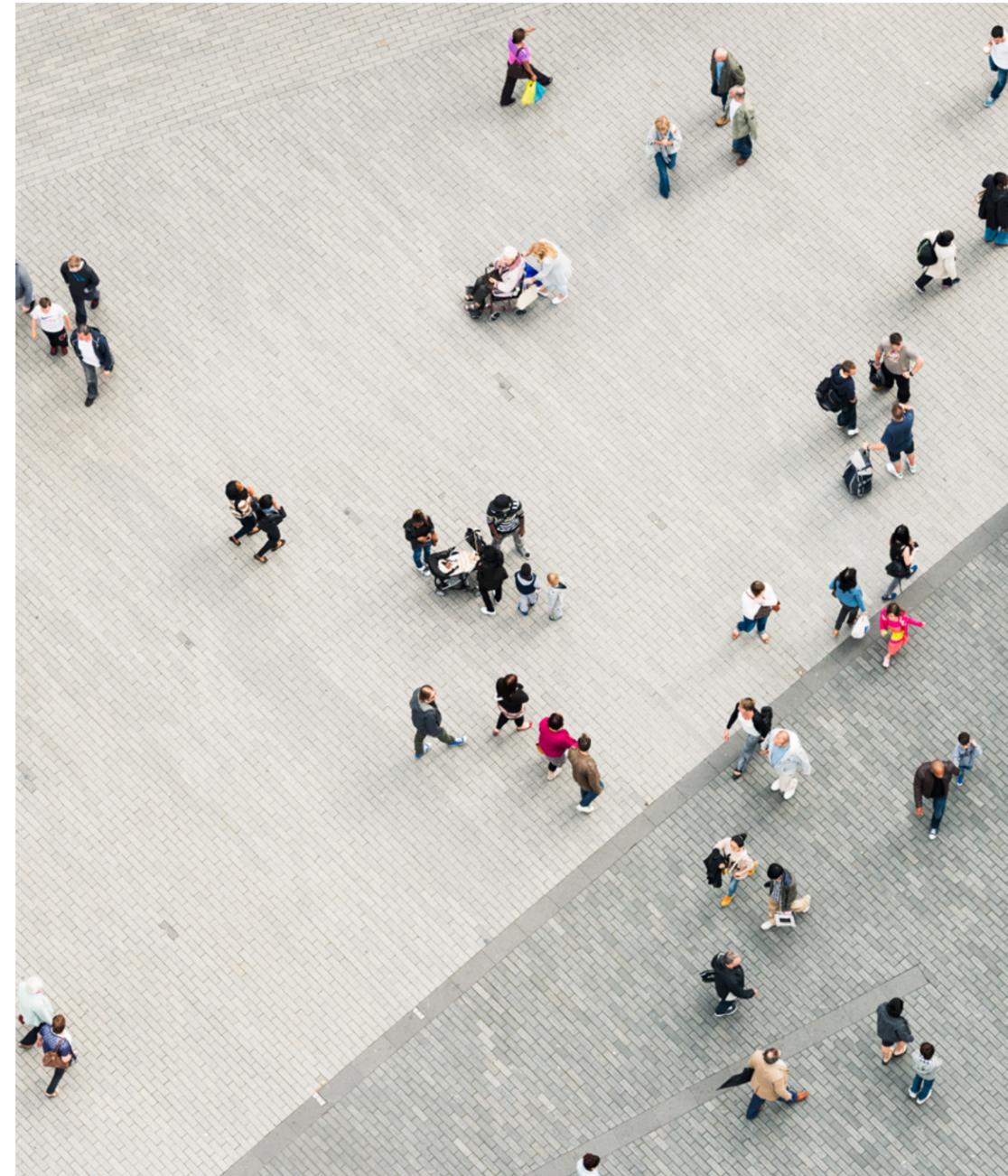
The "Public Liability" (and not only the "Product Liability") may also be concerned, for example in the event of a delay in delivery following an accidental event (e.g. fire at the insured's premises), this delay causing damage to a third party

The main exclusions on the French market:

- financial losses related to a failure of delivery of the ordered product
- recall expenses\*
- costs of removing and replacing\*
- lack of performance
- products delivered to USA / Canada
- cyber risks
- claims falling under Article 1792 of the Civil Code, i.e. of decennial nature
- war risk
- ...

\*According to insurers, "recall expenses" and "costs of removing and replacing" apply to the definition of "pure financial loss" if these costs are incurred by third parties (most common, the insured's client).

On the other hand, "recall expenses" and "costs of removing and replacing" are subject to an extension if they relate to those incurred by customers.



Coverage for “consequential loss” or “pure financial loss”, as understood in France, is much broader than the coverage of German policies under the „Extended Product Liability Insurance“ guarantee. Thus, even in the event that the parent company has a liability insurance policy in Germany, covering the French subsidiary, it must be certain that the guarantee is adapted to the risks incurred in France

Roederer is here to assist you in analysing the risks related to these damages that may be claimed by a third party.

Depending on the activity, we will be able to advise you on the appropriate guarantees, amounts and deductibles.

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**TYSERS, UNITED KINGDOM**

# The contingency market over the past few years

**TIM THORNHILL**

For the past three years, the Contingency Insurance market has been extremely turbulent. In 2019 we saw a pattern of significant adverse weather incidents, from heatwaves and flash floods in the UK and Europe, to the infamous Hurricane Dorian and Californian fires. These shook the Contingency market, with significant claims arising from cancelled events in both the Sporting and Entertainment sectors. Subsequently, 2020 saw COVID-19 impact the Entertainment and Sports’ industry, as events were shut down and cancelled across the globe. Huge claims were paid out for cancelled and postponed events, such as the Olympic Games, Wimbledon, music tours and conferences around the world. Tysers alone administered claims which exceeded \$350m.

These losses have resulted in a significant shift within the Contingency market including:

- An increase in rates globally for Contingency insurance, particularly Event Cancellation and Non-appearance

- The size and capacity of the market has shrunk dramatically, mainly as a result of insurers withdrawing from contingency classes altogether
- Insurers have become more fastidious and stringent when assessing risks
- The removal of Communicable Disease cover from policies, as of January 2020
- Government intervention in a number of countries to plug this gap in cover.

In 2021, claims for standard perils continued, with cancellations due to adverse weather, death, accident or illness, and Terrorism. Furthermore, it was clear that the profile of the class of business within Lloyd’s of London had been significantly elevated. Now, as the world attempts to return to a degree of “normality” and begins to adapt and learn how to live with COVID-19, Sporting and Entertainment events have been making a comeback. More than ever before, across the globe, people have grappled with the unpredictability

of the future. Contingency insurance for planned events gives businesses back a sense of security and control by significantly reducing their exposure to large financial losses.

**How can Tysers help?**

Tysers Insurance brokers has one of the world’s largest contingency broking teams. Their experts, based in London, are well versed because they have arranged protection for some of the biggest worldwide events in the calendar, including events involving some of the most prestigious international artists and sports’ stars. With a well-established reputation for their specialist expertise and extensive market experience, the Tysers’ team has fostered pioneering relationships with insurers, helping to stabilise rates through difficult market conditions.

Being a specialist Lloyd’s Contingency coverholder, Tysers has access to all available markets within the London and International Markets. Alongside this, Tysers use their own bespoke Contingency wordings, which provides broad and favourable cover. The Tysers’ team is highly proficient when it comes to dealing with complicated and unusual risks, offering exceptional levels of knowledge and a detailed understanding of both the cover required, and market opportunities. Furthermore, this depth of knowledge enables Tysers to help manage clients’ expectations, which is vital in the current climate of uncertainty.

**What is Contingency Insurance?**

Contingency Insurance can take on multiple forms when it comes to events. Specifically, it

looks to cover financial losses resulting from cancellation, abandonment, postponement, interruption, relocation and non-appearance. These losses could be due to:

- Adverse or extreme weather – affecting both outdoor and indoor events, posing a danger to those attending or performing, or by impacting the staging or setup of the event itself
- Death, accident or illness - of an artist, performer, or key personnel/speaker
- Unavoidable travel delay - preventing a team, artist, performer, or key individual getting to an event on time
- Venue damage – damage to, or destruction of, the venue at which the Insured Event is to take place
- Natural catastrophes – such as floods, earthquakes and volcanic eruption
- National mourning – court or religious mourning
- Acts of Terrorism – terrorist acts or threats in the vicinity of the event venue
- Political Risks – causing event disruption such as strikes, demonstrations or riots.

Tysers can provide a bespoke insurance solution to protect Sporting and Entertainment events from losses caused by the aforementioned occurrences. A contingency insurance policy can be tailored to cover all types of events, including but not limited to:

- Live music
- Festivals
- Sporting events
- Conferences
- Exhibitions.



**What about cover for Event Cancellation due to COVID-19?**

Perhaps the most frequent question Tysers is now asked, is whether a client’s insurance policy covers Event Cancellation due to COVID-19. While the simple answer would be “no”, the UK Government has in fact introduced the Live Events’ Reinsurance Scheme, after much lobbying from Tysers alongside our colleagues across the events industry. The scheme looks to support live events across the UK, from music festivals and sporting events to conferences and business events, that are at risk of cancellation, postponement, relocation or abandonment due to COVID-19. Specifically, it is a cost indemnification scheme which protects against costs or expenses incurred, due to the event being unable to take place due to any new, local or national, government COVID-19 lockdown restrictions. While the UK has been pioneering in the creation of this scheme, other countries including Australia and Germany have also created similar schemes in support of their Events sector.

With the UK live events industry being worth over £70 billion to the economy each year and supporting over 700,000 jobs, the government scheme acts to give significant support to those within the sector and provides some peace of mind. The result of this is that event organisers can have the confidence they need to plan for the future despite ongoing uncertainty.

The UK scheme requirements are as follows:

- Cover can only be purchased alongside a standard Event Cancellation policy, for an ad-

ditional premium

- Event organisers must purchase the standard Event Cancellation policy from insurers who participate in the scheme. Participating insurers include Lloyd’s Syndicates: Arch, Beazley, Dale, Ark, Hiscox and Munich Re
- Risks must be located in the UK, and the events must be open to the general public
  - Premium is set at 5% of the total value of the insured costs (plus Insurance Premium Tax)
- Claims are subject to an excess of 5% of the value of the insured costs, or £1000 (whichever is higher) per policy
- Cover must be purchased at least 8 weeks prior to the event taking place
- Event organisers can purchase cover up to the full cost of their event, irrespective of when those costs are incurred.

Tysers is familiar with placing this new kind of cover for clients and are at hand to help with the specialist placement of this risk. The UK Government scheme runs until the 30th September 2022, with a review scheduled for Spring 2022.

The team are working with commercial insurers and other international scheme administrators to understand the availability of cover for events that are at risk of being shut down by local or national governments, or that may be impacted in other ways, such as key individuals not being able to attend, and the impact that has.

How can other brokers access our facilities?

Whilst most Contingency business is predominantly placed through London to Lloyd’s and London based insurers, Tysers works with bro-

kers across the globe to actively support local insurers for Event Cancellation and Non-Appealance risks within their territories. In this way, as a Broker network, partnerships are fostered with Brokers and underwriters around the world to support the development of Contingency Insurance. Tysers is asking that any Insurer or Broker who is interested in developing Event Cancellation, Non-Appealance or Prize Indemnity business get in contact with them, so they can look to provide the best support in these areas and obtain the most competitive quotes from the London market.

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BRITMARK LTD, UKRAINE

## Ukrainian PVI risks through the eyes of a local

*This article was written on February 24, 2022, when the war in Ukraine started.*

Today I woke up at 5 am to the news that our country is under military attack. This is not how I would have wanted to start this article, but this is the objective reality we all live it.

It goes without saying that in the past month Ukraine has received a lot of attention from the worldwide press and international community. I myself have participated in several phone calls with European Clients and partners who were becoming agitated about the local political situation. The culmination is near, so allow me to share an interesting observation: our local attitude to political matters is actually optimistic.

In the following I will try to describe the current situation and what position Ukraine takes in regards to the risks of military violence.

From the economic point of view, the pressure of recent speculations and expectations did not make any significant impact. Most economists were optimistic about 2022 and the decade in general. GDP and average monthly wages were both expected to grow 11% this year, and the inflation PPI ratio should have been half that of the previous year. The local currency exchange rates were anticipated to stay within the expected stable ranges and the export businesses' forecasts were very optimistic.

So if we were to disregard the military risks, one may say that the economy of the country was booming.

Of course, a critical observer may parry that a month of military fighting would obliterate a decade of economic growth, but please note that Ukraine has been in the situation of military action since 2014.

The population has become accustomed to this: we always knew that there was a possibility that all hell may break loose, but as we have expected this for several years, so now we neither fret nor stock up on food supplies.

It is true that most people expected the politicians to find a way out. Recent polls showed that 29% of the population did not really expect a full scale war. Another 26% were undecided. Unfortunately sometimes hopes aren't enough.

The local press actively tries to avoid building up tension.

In the past month most news centered around European support given to Ukraine. This has also led to an increased appreciation of European relations in the eyes of the ordinary citizen.

Currently news agencies took an unconventional role acting as the voice of reason. They urge people to remain calm and stay safe at their homes. And it is very important to keep confident and calm. I personally walked the streets of Kyiv today, visited a supermarket and a bank and there was no panic or deficit of goods.

When looking at insurance sphere I should say that insurance companies are operational and functional, willing to honor all insurance policies. It even goes for political violence insurance policies. In the past two months we have received three times as many requests for political violence insurance quotes than in the past two years combined. Most of these originated from international companies with only a few Ukrainian-owned companies being interested in obtaining this insurance.

Around December 2021, the markets for Ukrainian PVI risks started hardening and in January 2022 rates increased twofold. By the end of January, they had increased again. As of yesterday it was still possible to purchase such insurance, with most of our Clients' recent PVI insurances being placed with Hiscox. As of today unfortunately this option is no longer available.

To sum up, one may say we always knew this would happen one day and have known it for eight years. So now we live on with optimism and hope, thankful to our partners who stand by us in times of need.

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Kiev, Ukraine 2021

ASSIBROKER, ITALY

# New regulations for skiing

UGO SICA

The new decree-law no. 40/2021 obliges skiers in Italy as of January 2022 to take out mandatory liability insurance. Those who dare to hit the slope without the required insurance cover expect fines between 100 and 150 euros and a possible confiscation of their ski ticket.

Furthermore, the following safety regulations apply:

- High fines for drunken skiers
- As the law does not indicate explicit limits for blood alcohol concentration, the Italian authorities take similar offenses as a standard, e. g. traffic regulations which allow a maximum blood alcohol level of 0.5 ‰.
- Obligation to wear a helmet for all skiers aged below 18 years

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## UnisonAcademy – Country Briefing

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“**UnisonAcademy Country Briefing**” gives you a great opportunity to learn more about foreign insurance markets and their characteristics and to speak about your own domestic insurance market, country-specific regulations and recent developments.

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- goal: promoting the exchange of know-how within our network
- 40 min. presentation part plus 20 min. Q & A
- webinars are recorded and made available on demand

TGC ASIA, MALAYSIA

# Extreme flood events and how the world is handling them

ALAN LIM

The climate and the weather are very different things. The world is experiencing a sharp increase in unusually bad weather and the cause can be laid at the feet of climate change. Climate science's predictions are becoming ever-more confident. The cause of extreme weather events is clear, and the world's governments are scrambling to find ways to handle the outcome of the 'once in a century' storms that are becoming so common. So, what has been going on, and what are those in power doing about it?

## Extreme weather events are becoming more frequent

KwaZulu Natal, South Africa, saw 24 people dead due to unprecedented thunderstorms. In the USA the states of Columbia, Northern Virginia and Central Maryland were brought to a standstill by an enormous winter storm. 'Thundersnow' became a household name for the first time when the phenomenon flattened vast areas of Alabama, North Georgia, Tennessee and the Florida panhandle, leaving thousands of homes and busi-

nesses without power.

The same level of violent weather battered Australia when Tropical Cyclone Tiffany hit the far North of Queensland, bringing rainfall so powerful it disrupted lives. A typhoon ripped through the Philippines. Huge floods flattened Malaysia. Malaysia is still recovering from December's disastrous floods. On 16th December 2021, an unusually violent tropical depression landed on Malaysia's Peninsular East coast, bringing torrential rain which lasted two weeks. The floods covered eight states, leaving at least 54 people dead and two missing. On December 27th huge piles of logs and debris were washed along the river, landing at Karak town in Pahang state. The storm forced more than 125,000 people to evacuate their homes. The waters badly affected Kuala Lumpur, the capital, and the wealthy state of Selangor, but were particularly acute in Kelantan, Terengganu, Pahang, Johor, Malacca, Negeri Sembilan and Sabah. The nation's 128 relief centres were filled to bursting point.



The members of Fire and Rescue Department of Malaysia evacuated the flood victims at RTB Bukit Changgang, Dengkil, Sepang on December 20th, 2021.

Malaysia is no stranger to flooding, a frequent occurrence that causes more annual damage than any other kind of natural disaster. Take 1996, when Tropical Storm Greg killed 241 people in Keningau, causing over RM300 million in property and infrastructure damage. A decade later in December 2006 floods in Johor killed 18 people and cost RM1.5 billion in damage. Roll time forwards to 2008 and Johor was hit by storms again, killing 28 people and costing RM65 million or more. And 2014 to 2015 came with violent floods that killed 21 in Malaysia, directly affecting more than 200,000 people.

2021's floods saw a full month's worth of rainfall in just one day. The event was described as a 'once in a century' disaster by the government, but this kind of extreme weather is becoming more likely as time passes and the climate warms.

While floods aren't uncommon in the region, due to the annual monsoon season between October and March, the 2021 floods brought unusually heavy rainfall. The country's National Disaster Control Centre issued a Disaster Operation Preparedness Notice, and the Department of Irrigation and Drainage also issued a warning of high tides. However, the government has since been criticised for its slow response, leaving some people trapped by the waters for two days.

All this sits against a background where more extreme weather events are inevitable. These days, it doesn't matter where you live. We're all at risk from climate change-driven weather extremes. The pattern is repeating itself across the planet. The poorest in society tend to get off the worst,

hardest hit by floods and other natural disasters. They can't always afford to insure their homes and belongings, leaving them particularly vulnerable. Zurich Malaysia says, fewer than 75% of Malaysia's homeowners are not insured against floods, even though 4.8 million Malaysians live in places with a high flood risk. It's worrying to know that just 20% of homes in these places are insured.

At the same time, premiums for the flood insurance element of property policies will inevitably increase over time as insurers try to underwrite the risk accurately while remaining profitable.

This will only put flood insurance even further beyond many people's financial reach, leaving governments with tricky decisions to make. How do they protect vulnerable people's finances against floods? At what point do they intervene? Is intervention even affordable on a scale like this?

In some countries, private insurers provide cover for floods as standard. In some places, you can only buy insurance for properties in high flood risk areas from public insurers. In others, government assistance is the public's only choice.

So far, the Malaysian government has handed out a massive RM200 million to deal with the impact of extreme flood events. At the same time there are increasing demands for their top-down government-centric approach to be replaced with a new, risk-spreading, 'bottom up' approach.

A workable flood insurance scheme is one idea being floated, a Public-Private Partnership that could make flood insurance affordable, crucial for the 40% lowest-paid who live in flood risk areas. This could help persuade insurers to create new

add-ons and policies to cover flooding. A holistic approach to flood risk management might also mean dam building, early flood warning systems, flood barriers, more public shelters, and campaigns to boost public awareness.

Malaysia's recovery from the latest floods is slow. The government is seeking a three million dollar grant from the United Nations to fund a national climate adaptation plan and has promised to pay out over 1.4 billion ringgit in aid and disaster relief. It isn't a lot of money compared to the huge amounts being spent on flood mitigation, but it'll help fund new initiatives concerning the future of water supplies, agriculture, infrastructure, public health, forestry, and food security. Only time will tell whether it'll be enough.

Right now, flood insurance in Malaysia operates in a complex landscape of fast-changing risks and increasing climate uncertainty. It's a challenge to underwrite uncertain risks accurately. And while insurance spreads the financial risk across reinsurance and capital markets, either the cost will have to come down dramatically for most poor people to afford cover, or it'll have to be subsidised in some way. The region also needs to create new ideas and initiatives around the future of water supplies, agriculture, infrastructure, public health, forestry, and food security.

The General Insurance Association of Malaysia estimates the ultimate flood claims pay-out for the December 2021 flooding will total around RM3 billion. This covers both actual and potential personal lines and commercial risks claims resulting

directly from the floods. It also includes predictions for the coming monsoon season. The general insurance industry is donating RM2.43 million to a new Flood Relief Fund, a Corporate Social Responsibility plan designed to support the motoring community, achieve faster claims settlement, pay for extra 'special relief measures', and cover other ad hoc and ex-gratia costs general insurers attract. But once this money is spent, the fund will close.

How do other governments plan to protect vulnerable citizens? In 2014, in the UK, Flood Re was set up. It's a non-profit fund privately owned and operated by the insurance sector and publicly accountable to the UK government. They support the insurance industry while promoting affordable flood insurance, a scheme with no government financial responsibility. It's an interim measure and will close its doors in 2039, after which the world will be facing the full brunt of climate change and premiums will revert to represent the actual risk. As you can imagine, unless someone figures out a better solution, flood insurance premiums are likely to increase dramatically at that point.

Thailand also has bright ideas, inspired by their devastating 2011 extreme flood event. Their National Catastrophic Insurance Fund adds extra reinsurance capacity to the market at subsidised rates. This means Thailand's domestic insurers can offer affordable cover. On the other hand, there are concerns about ongoing climate change breaking the scheme as we see more so-called 'once-in-a-century' weather events, with even more dramatic impacts.

How far can we see into the future? Not far at all. The only thing we can say with any level of confidence is that we'll be seeing more flooding, more sea level rises, and more people suffering from climate change-led weather extremes. Can the insurance sector cope, change fast enough, innovate creatively enough to provide cover for those who need it? We'll see. It'll be fascinating to see how the world's leaders and insurers tackle the impact of inevitable extreme weather events in future.

*Sources: · <https://www.theedgemarkets.com/article/underinsurance-flood-risk> · <https://www.hawaiipublicradio.org/asia-minute/2022-01-12/asia-minute-malaysia-is-recovering-slowly-from-crippling-once-in-a-century-floods> · [https://en.wikipedia.org/wiki/2014%E2%80%932015\\_Malaysia\\_floods](https://en.wikipedia.org/wiki/2014%E2%80%932015_Malaysia_floods) · <https://www.floodre.co.uk/> · <https://www.reinsurancene.ws/malaysian-insurance-group-estimates-flood-claims-payout-at-720mn/> · <https://edition.cnn.com/2022/01/02/asia/malaysia-floods-evacuation-intl-hnk/index.html> · <https://piam.org>.*

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